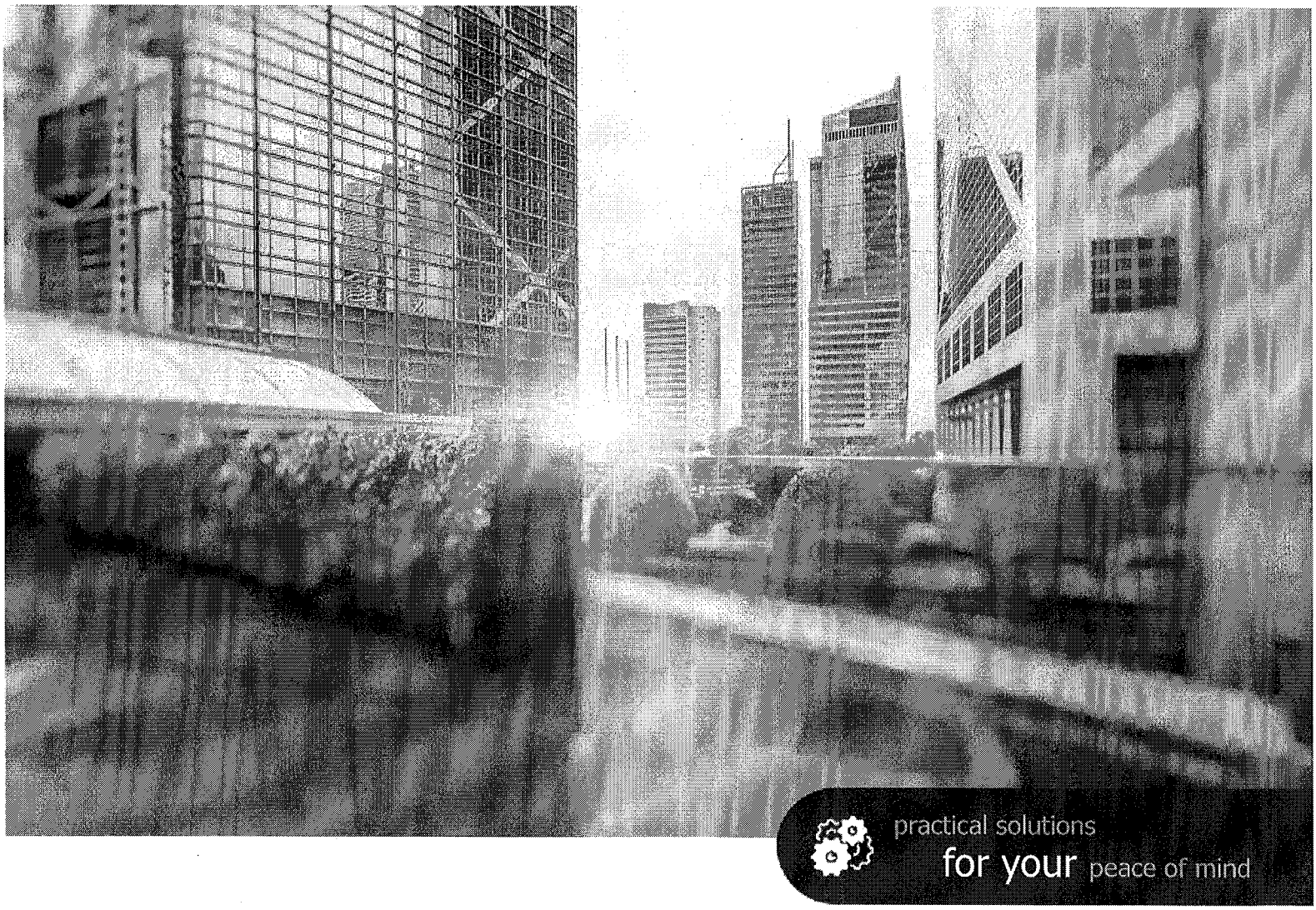
Proposal for Capital Asset Reporting and Property Insurance Updating Services to:

Town of Woodbury

October 28, 2019



CBIZ Valuation Group

CBIZ Valuation Group, LLC
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Lawrenceville, NJ 08648 • www.cbiz.com/valuation
Ph: 609.896.0300 • F: 262.677.2130

Proposal for Services

October 28, 2019

Ms. Desiree Potvin
Town Clerk
Town of Woodbury
511 Route 32
Highland Mills, NY 10930

Re: Capital Asset Reporting and Property Insurance Updating Services

Dear Ms. Potvin:

CBIZ Valuation Group, LLC ("CVG") is pleased to submit our recommendations to provide capital asset reporting and property insurance report updating services to Town of Woodbury ("Town").

This proposal has been prepared based on our understanding of your needs and our experience in assisting clients for similar purposes. Included herein is a summary of the anticipated scope of services to be provided, approaches and methodologies to be employed, the anticipated project schedule and work product, the Town's responsibilities and an estimate of professional fees.

We appreciate the opportunity to submit this proposal and look forward to working with you on this engagement. Should you have any questions, please call Olga Chavez at 845.987.8896 or via email at ochavez@cbiz.com.

Respectfully submitted,

CBIZ VALUATION GROUP, LLC

R.F. Acebal
National Director - Tangible Asset Practice

AVS-V3.3

Scope of Services

The scope of this engagement is to provide professional capital asset reporting and insurance valuation updating services to the Town. Our services are specifically designed to address:

- **Capital Asset Reporting:** Prepare reports that can be utilized by the Town in its effort to assist with meeting GASB-34 and GAAP reporting requirements.
- **Property Insurance Reporting:** Prepare reports to be utilized by Town to assist in establishing insurable values, insurance placement and proof of loss documentation as they relate to the property insurance.

Appraisal Updating Methodology

As a first step in updating your inventory please confirm the reports provided by CVG dated 12/31/18 match the capital asset section of your audited financial statement for this time frame. If your auditors have used a different figure please contact them to provide a written explanation of the adjustment. CVG will require the detailed information (description, cost, acquisition date and useful life) to adjust previous year totals.

The following updating options are available and are priced accordingly in the fee section of this proposal:

Electronic Annual Updating Service (EAUS): CVG will provide a preformatted Excel template that will allow you to record all current year capital asset activity including additions, disposals, capital projects and transfers. After the year's changes have been recorded the updated file can be emailed directly to CVG for review and processing. Upon receipt of the data, CVG will conduct a high-level quality control and consistency review to ensure that the data provided appears to be reasonable*. In the event that the data does not pass our quality control and consistency review, CVG will contact you to review our findings and determine an appropriate solution. Data entry services, should the Town require this resource, are available at a rate of $145 per hour. If the data is deemed acceptable, CVG will process the changes, update depreciation, and trend all insurable values.

*When preparing annual updating data for submission, please review your accounting ledger equipment codes (example 200 for equipment) for additions that are to be added to the EAUS template. We also encourage the Town to review the additions entered into the template with your auditor prior to sending the data to CVG. This will help to ensure the update data coincides with the changes to the fixed asset account group your auditor is expecting in the reports CVG issues. If the Town or its auditors make revisions after the EAUS template is submitted to CVG, please be sure to inform us of these changes via the updating template. This step can help to ensure your capital asset reporting in the Town's CAFR reconciles to the fixed asset accounting reports that have been prepared by CVG.

Deliverables

Once we are in receipt of the Town's data, CVG will deliver the draft reports within 30 days. Reports will be forwarded electronically in a .PDF format for review. If required, one set of revised reports will be provided under the scope of this engagement. After delivery of draft reports the Town will have 30 days to review and make any changes or provide any comments. If after 30 days the Town has not provided any changes or comments we will issue final reports. Subsequent revisions resulting from the Town or its auditor not providing the applicable data to produce the work product will be billed at our hourly rate of $145. We will provide the following deliverables:

- Account Summary
- Accounting Summary
- Year-To-Date Depreciation Summary

- Current Year Additions Detail
- Current Year Disposals Detail
- Accounting Detail – By Location & Organization (PDF only)
- Insurance Summary
- Insurance Detail (PDF only)
- Transmittal Letter
- Electronic data file (in Excel format) of subject property

Standard of Value & Depreciation Methodology

CVG will utilize various costing methodologies to develop valuation conclusions. The sources may include the use of proprietary and third-party software, proprietary databases, technical pricing subscriptions, various publications, and the Client-supplied information (purchase orders, capital project costs, financial statements, etc.). The standards of value for this engagement will include the following:

- **Original/Acquisition Cost:** The amount of money originally paid to acquire an asset. It generally includes costs such as transportation, set-up charges, taxes, engineering and architectural fees.

- **Replacement Cost New (RCN):** As applicable to insurance valuations, it is the cost required to produce a property of like kind and materials at one time in accordance with current market prices for materials, labor and manufactured equipment, contractors' overhead, profit and fees, but without provisions for overtime or bonuses for labor and premiums for materials Our replacement cost new conclusions will include deductions for standard insurance exclusions (i.e., underground piping, foundations, footings, excavation, grading, etc.). We will not take into consideration compliance with state or local ordinances or costs associated with demolition of property or the removal of debris. Partial losses may result in higher replacement costs as partial losses often require a substantial amount of repair in conjunction with the replacement process.

- **Depreciation Straight-Line Method:** The method of calculating deprecation by dividing the cost, less salvage, by the number of fiscal periods of useful life.

- **Depreciation First-of-the-Month (Full Month) Convention:** Assets are treated as being placed into service on the first day of the month they are acquired, even if they were actually purchased after the first of the month. For additions, depreciation is calculated for a full month in the month the asset was acquired.

  For disposals, no depreciation is calculated in the month of disposition; rather, it is calculated through the last day of the month prior to disposal. Different depreciation methods or conventions are subject to an additional charge.

Engagement Exclusions

Items excluded from this consulting engagement are defined as infrastructure, intangible assets, software, records, drawings, consumables, stores, spare parts, fine arts, property not located in Town facilities during the fieldwork portion of the engagement and third-party property.

ENGAGEMENT FEES & CLIENT ACCEPTANCE

The fees for the professional services outlined in this proposal are provided below and are inclusive of travel and out-of-pocket expenses unless otherwise noted. One set of reports will be provided for the current fiscal year, 12/31/19. CVG will submit one invoice upon generation of reports. You may indicate the acceptance of our proposed services and related fees by initialing the desired service executing the signature block and returning a copy of the agreement to the attention of the undersigned via fax at (262) 677-2130 or email to kjaeger@cbiz.com.

Update Service Options

Please initial the services to be included in the contract.

Fees for Individual Services	Fee	Initials
Electronic Annual Update Service	$1,650	

Please note that all change requests made after the issuance of final reports are subject to CVG's standard labor rates.

Client Acceptance

I have read the terms of this agreement and hereby authorize this assignment

ACCEPTED this _____ day of _____, 2019

Client: Town of Woodbury

By: _____ _____
Written Name Printed Name

Title: _____

The fees for the professional services outlined within this agreement shall remain in effect for a period not greater than 90 days from the date of this proposal.

Please return signed engagement to:

CBIZ Valuation Group, LLC
Kathy Jaeger
W227 N16867 Tillie Lake Court, Suite 201
Jackson, WI 53037
Email: kjaeger@cbiz.com or Fax: 262-677-2130

APPENDIX A: TERMS & CONDITIONS

The terms and conditions of this engagement with CBIZ Valuation Group, LLC ("CBIZ") are subject to and governed by the following Terms and Conditions and other terms, assumptions and conditions contained in the engagement letter.

General
This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous engagement letters, proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both CBIZ and you. Neither party shall be liable to the other for any delay or failure to perform any of the services nor obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

You acknowledge and agree that you will be solely responsible for any and all applicable sales tax due in connection with the services provided under this Agreement.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs CBIZ to the contrary, upon completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in CBIZ newsletters and publications and discussions with third parties regarding work opportunities.

Indemnification
Except to the extent judicially determined to have resulted from the bad faith, gross negligence, or willful or intentional misconduct of CBIZ's personnel and unless otherwise prohibited by law or applicable professional standard, you shall indemnify and hold harmless CBIZ and its personnel from and against any causes of action, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ's personnel involved) brought against or involving CBIZ at any time and in any way arising out of or relating to CBIZ's services under this engagement. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

If any action or proceeding (any of the foregoing being a Claim) is threatened or commenced by any third party against CBIZ that you are obligated to defend or indemnify under this Agreement, then written notice thereof shall be given to you as promptly as practicable. After such notice and only so long as CBIZ's and your interests with respect to the claim remain consistent, no conflict exists, and, by your control of the defense, CBIZ's

insurance is not voided or otherwise compromised in any way, you shall be entitled, if you so elect in writing within ten days after receipt of such notice, to take control of the defense and investigation of such Claim and to employ and engage attorneys to handle and defend the same, at your sole cost and expense, with the approval of CBIZ, which approval shall not be unreasonably withheld. CBIZ shall cooperate in all reasonable respects with you and your attorneys in the investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that CBIZ may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising therefrom. You shall enter into no settlement of a Claim that involves a remedy other than the payment of money by you without the prior consent of CBIZ.

After notice by you to CBIZ of your election to assume full control of the defense of any such Claim, and CBIZ's approval of selected counsel, you shall not be liable to CBIZ for any legal expenses incurred thereafter by CBIZ in connection with the defense of that Claim. If you do not assume full control over the defense of a Claim, then you may participate in such defense, at your sole cost and expense, and CBIZ shall have the right to defend you in such manner as it may deem appropriate, at your cost and expense.

Limitation on Damages
You agree that CBIZ, any entity related to it and their respective personnel, current or former, shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ. Unless otherwise prohibited by law, in no event shall CBIZ, any entity related to it or their respective personnel, current or former, be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

Limitation on Distribution and Use
The report, the final estimate of value, and the prospective financial analyses (collectively, as used in this paragraph, the CBIZ Work Product) included therein are intended solely for the information of the person or persons to whom they are addressed and solely for the purposes stated; they should not be relied upon for any other purpose, and no party other than the Company may rely on them for any purpose whatsoever. Neither the valuation report, its contents nor any reference to the appraiser or CBIZ may be referred to or quoted in any registration statement, prospectus, offering memorandum, sales brochure, other appraisal, loan or other agreement or document given to third parties. In addition, except as set forth in the report, our analysis and report are not intended for general circulation or publication, nor are they to be reproduced or distributed to third parties.

Notwithstanding the foregoing, if the Company desires to distribute or use the CBIZ Work Product in any way not expressly contemplated by these Terms and Conditions or the Agreement, including, without limitation and by way of example, reference to CBIZ by name or inclusion of any portion of the CBIZ Work Product in any regulatory filing, CBIZ, at our sole discretion, may permit Company to do so for a fee commensurate to the additional risk associated with such distribution or use.

Confidentiality
With respect to information supplied in connection with this engagement letter and designated by the disclosing party as confidential, CBIZ agrees to: (i) protect the confidential information in a reasonable and appropriate manner or in accordance with applicable professional standards; (ii) use confidential information only to perform

its obligations under this engagement letter; (iii) reproduce confidential information only as required to perform its obligations under this engagement letter; and (iv) return or destroy all information provided to CBIZ upon the Company's written request, except that CBIZ may keep copies of any records required to be maintained under its professional standards and retention policy. This section shall not apply to information that is: (i) publicly known; (ii) already known by CBIZ or (iii) disclosed pursuant to legal requirement or order.

Not A Fairness Opinion
Neither our opinion nor our report are to be construed as an opinion of the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of our determination of the fair value between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date where both the buyer and the seller have reasonable knowledge of the relevant facts.

Operational Assumptions
Unless stated otherwise, our analysis: (i) assumes that, as of the valuation date, the Company and its assets will continue to operate as configured as a going concern, (ii) is based on the past, present and future projected financial condition of the Company and its assets as of the valuation date and (iii) assumes that the Company has no undisclosed real or contingent assets or liabilities, other than in the ordinary course of business, that would have a material effect on our analysis.

Competent Management Assumed
It should be specifically noted that the valuation assumes the property will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

No Obligation to Provide Services After Completion
Valuation assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent services related to a valuation assignment occurs, including updates, conferences, testimony, preparation for testimony, document production, interrogatory response preparation, or reprint and copy services whether by request of the Company or by subpoena or other legal process initiated by a party other than the Company, Company agrees to compensate CBIZ for its time at its standard hourly rates then in effect, plus all expenses incurred in the performance of said services. CBIZ reserves the right to make adjustments to the analysis, opinion and conclusion set forth in the report as we deem necessary by consideration of additional or more reliable data that may become available.

No Opinion is Rendered as to Legal Fee or Property Title
No opinion is rendered as to legal fee or property title. No opinion is intended in matters that require legal, engineering or other professional advice that has been or will be obtained from professional sources.

Liens and Encumbrances
We will give no consideration to liens or encumbrances except as specifically stated. We will assume that all required licenses and permits are in full force and effect, and we make no independent on-site tests to identify the presence of any potential environmental risks. We assume no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction.

Information Provided by Others
Information furnished by others is presumed to be reliable; no responsibility, whether legal or otherwise, is

assumed for its accuracy and cannot be guaranteed as being certain. All financial data, operating histories and other data relating to income and expenses attributed to the business have been provided by management or its representatives and have been accepted without further verification except as specifically stated in the report.

Prospective Financial Information
Our report may contain prospective financial information, estimates or opinions that represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as forecasts, prospective financial statements or opinions, predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis will vary from those described in our report, and the variations may be material.

Any use of management's projections or forecasts in our analysis will not constitute an examination, review or compilation of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). We will not express an opinion or any other form of assurance on the reasonableness of the underlying assumptions or whether any of the prospective financial statements, if used, are presented in conformity with AICPA presentation guidelines.

Dispute Resolution and Jury Trial Waiver
Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty-four (24) months after performance of our service.

Unless otherwise prohibited by law or applicable professional standard, each of the parties irrevocably, voluntarily and knowingly waives its right to a jury trial of any claim or cause of action based upon or arising out of this agreement or any dealings between the parties hereto relating to the subject matter hereof. The scope of this waiver is intended to be all-encompassing. It includes any and all disputes that may be filed in any court and that relate to the subject matter of this agreement, including, but not limited to, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. It also includes any and all such claims that may be brought against CBIZ or any of its subsidiaries and any of their respective personnel, current or former.

Governing Law
This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of law principles. The parties hereby irrevocably submit to the jurisdiction of the federal or state courts in the State of Ohio, specifically and exclusively in the Cuyahoga County Court of Common Pleas or the Federal District Court for the Northern District of Ohio, over any dispute or proceeding arising out of this Agreement and agree that all claims in respect of such dispute or proceeding shall be heard and determined in such court. The parties to this Agreement hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection that they may have to the venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

Independent Contractor
It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

T&CRev6.22.18.